
HOUSE BILL No. 1357

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 6-2.5; IC 8-22-3.5-10; IC 36-7.

Synopsis: Property tax replacement credit. Increases the property tax replacement credit from 20% to 40% of the total county tax levy. Increases the allowable property tax credit on property with an assessed value exceeding the base assessed value of property within a tax increment financing (TIF) area. Increases the sales tax from 5% to 6%. Imposes the sales tax on certain services.

Effective: July 1, 2002; January 1, 2003.

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January 15, 2002, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

HOUSE BILL No. 1357

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-21-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 3. (a) On or
3 before March 1 of each year, the ~~state board department of tax~~
4 ~~commissioners local government finance~~ shall certify to the
5 department on a form approved by the state board of accounts, an
6 estimate of the total county tax levy collectible in that calendar year for
7 each county in the state. The estimate shall be based on the tax
8 collections for the preceding calendar year, adjusted as necessary to
9 reflect the total county tax levy (as defined in section 2(g) of this
10 chapter) from the budgets, tax levies, and rates as finally determined
11 and acted upon by the ~~state board department of tax commissioners~~.
12 **local government finance**. The department, with the assistance of the
13 auditor of state, shall determine on the basis of the report an amount
14 equal to ~~twenty~~ **forty** percent (~~20%~~) (**40%**) of the total county tax levy,
15 which is the estimated property tax replacement.
16 (b) In the same report containing the estimate of a county's total
17 county tax levy, the ~~state board department of tax commissioners local~~

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government finance shall also certify the amount of homestead credits provided under IC 6-1.1-20.9 which are allowed by the county for the particular calendar year.

(c) If there are one (1) or more taxing districts in the county that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter, the ~~state board department~~ of ~~tax commissioners~~ **local government finance** shall estimate an additional distribution for the county in the same report required under subsection (a). This additional distribution equals the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Estimate that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the estimated property tax replacement determined under subsection (a) that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the property taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(d) The sum of the amounts determined under subsections (a) through (c) is the particular county's estimated distribution for the calendar year.

SECTION 2. IC 6-1.1-21-4, AS AMENDED BY P.L.198-2001, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) ~~twenty~~ **forty** percent (~~20%~~) (**40%**) of each county's total county tax levy payable that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter.

This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain

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all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the property taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the

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1 fund, then the amount of the deficiency shall be transferred from the
 2 state general fund to the property tax replacement fund, and the auditor
 3 of state shall issue a warrant to the treasurer of state ordering the
 4 payment of that amount. However, any amount transferred under this
 5 section from the general fund to the property tax replacement fund
 6 shall, as soon as funds are available in the property tax replacement
 7 fund, be retransferred from the property tax replacement fund to the
 8 state general fund, and the auditor of state shall issue a warrant to the
 9 treasurer of state ordering the replacement of that amount.

10 (e) Except as provided in subsection (i), the department shall not
 11 distribute under subsection (b) and section 10 of this chapter the money
 12 attributable to the county's property reassessment fund if, by the date
 13 the distribution is scheduled to be made, the county auditor has not sent
 14 a certified statement required to be sent by that date under
 15 IC 6-1.1-17-1 to the department of local government finance.

16 (f) Except as provided in subsection (i), if the elected township
 17 assessors in the county, the elected township assessors and the county
 18 assessor, or the county assessor has not transmitted to the department
 19 of local government finance by October 1 of the year in which the
 20 distribution is scheduled to be made the data for all townships in the
 21 county required to be transmitted under IC 6-1.1-4-25(b), the state
 22 board or the department shall not distribute under subsection (b) and
 23 section 10 of this chapter a part of the money attributable to the
 24 county's property reassessment fund. The portion not distributed is the
 25 amount that bears the same proportion to the total potential distribution
 26 as the number of townships in the county for which data was not
 27 transmitted by August 1 as described in this section bears to the total
 28 number of townships in the county.

29 (g) Money not distributed under subsection (e) shall be distributed
 30 to the county when the county auditor sends to the department of local
 31 government finance the certified statement required to be sent under
 32 IC 6-1.1-17-1 with respect to which the failure to send resulted in the
 33 withholding of the distribution under subsection (e).

34 (h) Money not distributed under subsection (f) shall be distributed
 35 to the county when the elected township assessors in the county, the
 36 elected township assessors and the county assessor, or the county
 37 assessor transmits to the department of local government finance the
 38 data required to be transmitted under IC 6-1.1-4-25(b) with respect to
 39 which the failure to transmit resulted in the withholding of the
 40 distribution under subsection (f).

41 (i) The restrictions on distributions under subsections (e) and (f) do
 42 not apply if the department of local government finance determines

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that:

(1) the failure of a county auditor to send a certified statement as described in subsection (e); or

(2) the failure of an official to transmit data as described in subsection (f);

is justified by unusual circumstances.

SECTION 3. IC 6-1.1-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of ~~twenty~~ **forty** percent ~~(20%)~~ **(40%)** of the tax liability (as defined in this section) of each taxpayer for taxes which under IC 6-1.1-22-9 are due and payable in May and November of that year. The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the county auditor, based on data furnished by the ~~state board~~ **department of tax commissioners. local government finance**. The tax liability of a taxpayer for the purpose of computing the credit for a particular year shall be based upon the taxpayer's tax liability as is evidenced by the tax duplicate for the taxes payable in that year, plus the amount by which the tax payable by the taxpayer had been reduced due to the application of county adjusted gross income tax revenues to the extent the county adjusted gross income tax revenues were included in the determination of the total county tax levy for that year as provided in sections 2(g) and 3 of this chapter, adjusted, however, for any change in assessed valuation which may have been made pursuant to a post-abstract adjustment if the change is set forth on the tax statement or on a corrected tax statement stating the taxpayer's tax liability, as prepared by the county treasurer in accordance with IC 6-1.1-22-8(a). However, the tax liability of a taxpayer does not include the amount of any property tax owed by the taxpayer that is attributable to that part of any property tax levy subtracted under section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F), 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), or 2(g)(1)(J) of this chapter in computing the total county tax levy.

(b) The credit for taxes payable in a particular year with respect to mobile homes which are assessed under IC 6-1.1-7 is ~~twenty~~ **forty** percent ~~(20%)~~ **(40%)** of the taxes payable with respect to the assessments plus the adjustments stated in this section.

(c) Each taxpayer in a taxing district that contains all or part of an economic development district that meets the requirements of section 5.5 of this chapter is entitled to an additional credit for property tax replacement. This credit is equal to the product of:

(1) the STEP TWO quotient determined under section 4(a)(3) of

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1 this chapter for the taxing district; multiplied by
 2 (2) the taxpayer's property taxes levied in the taxing district that
 3 are allocated to a special fund under IC 6-1.1-39-5.

4 SECTION 4. IC 6-1.1-39-6 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 6. (a) An
 6 economic development district may be enlarged by the fiscal body by
 7 following the same procedure for the creation of an economic
 8 development district specified in this chapter. Property taxes that are
 9 attributable to the additional area and allocable to the economic
 10 development district are not eligible for the property tax replacement
 11 credit provided by IC 6-1.1-21-5. However, subject to subsection (c),
 12 each taxpayer in an additional area is entitled to an additional credit for
 13 property taxes that under IC 6-1.1-22-9 are due and payable in May and
 14 November of that year. One-half (1/2) of the credit shall be applied to
 15 each installment of property taxes. This credit equals the amount
 16 determined under the following STEPS for each taxpayer in a taxing
 17 district in a county that contains all or part of the additional area:

18 STEP ONE: Determine that part of the sum of the amounts under
 19 IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) that is attributable
 20 to the taxing district.

21 STEP TWO: Divide:

22 (A) that part of ~~twenty~~ **forty** percent (~~20%~~) (**40%**) of the
 23 county's total county tax levy payable that year as determined
 24 under IC 6-1.1-21-4 that is attributable to the taxing district;
 25 by

26 (B) the STEP ONE sum.

27 STEP THREE: Multiply:

28 (A) the STEP TWO quotient; times

29 (B) the total amount of the taxpayer's property taxes levied in
 30 the taxing district that would have been allocated to a special
 31 fund under section 5 of this chapter had the additional credit
 32 described in this section not been given.

33 The additional credit reduces the amount of proceeds allocated to the
 34 economic development district and paid into a special fund under
 35 section 5(a) of this chapter.

36 (b) If the additional credit under subsection (a) is not reduced under
 37 subsection (c) or (d), the credit for property tax replacement under
 38 IC 6-1.1-21-5 and the additional credit under subsection (a) shall be
 39 computed on an aggregate basis for all taxpayers in a taxing district
 40 that contains all or part of an additional area. The credit for property
 41 tax replacement under IC 6-1.1-21-5 and the additional credit under
 42 subsection (a) shall be combined on the tax statements sent to each

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1 taxpayer.

2 (c) The county fiscal body may, by ordinance, provide that the
3 additional credit described in subsection (a):

4 (1) does not apply in a specified additional area; or

5 (2) is to be reduced by a uniform percentage for all taxpayers in
6 a specified additional area.

7 (d) Whenever the county fiscal body determines that granting the
8 full additional credit under subsection (a) would adversely affect the
9 interests of the holders of bonds or other contractual obligations that
10 are payable from allocated tax proceeds in that economic development
11 district in a way that would create a reasonable expectation that those
12 bonds or other contractual obligations would not be paid when due, the
13 county fiscal body must adopt an ordinance under subsection (c) to
14 deny the additional credit or reduce the additional credit to a level that
15 creates a reasonable expectation that the bonds or other obligations will
16 be paid when due. An ordinance adopted under subsection (c) denies
17 or reduces the additional credit for property taxes first due and payable
18 in any year following the year in which the ordinance is adopted.

19 (e) An ordinance adopted under subsection (c) remains in effect
20 until the ordinance is rescinded by the body that originally adopted the
21 ordinance. However, an ordinance may not be rescinded if the
22 rescission would adversely affect the interests of the holders of bonds
23 or other obligations that are payable from allocated tax proceeds in that
24 economic development district in a way that would create a reasonable
25 expectation that the principal of or interest on the bonds or other
26 obligations would not be paid when due. If an ordinance is rescinded
27 and no other ordinance is adopted, the additional credit described in
28 subsection (a) applies to property taxes first due and payable in each
29 year following the year in which the resolution is rescinded.

30 SECTION 5. IC 6-2.5-2-2 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) The state gross
32 retail tax is measured by the gross retail income received by a retail
33 merchant in a retail unitary transaction and is imposed at the following
34 rates:

35	STATE	GROSS RETAIL INCOME	
36	GROSS	FROM THE	
37	RETAIL	RETAIL UNITARY	
38	TAX	TRANSACTION	
39	\$ 0	less than	\$.10
40	\$.01	at least \$.10; but less than	\$.30
41	\$.02	at least \$.30; but less than	\$.50
42	\$.03	at least \$.50; but less than	\$.70



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1	\$.04	at least \$.70;	but less than \$.90
2	\$.05	at least \$.90;	but less than \$1.10
3	\$ 0		less than \$0.09
4	\$ 0.01	at least \$0.09	but less than \$0.25
5	\$ 0.02	at least \$ 0.25	but less than \$0.42
6	\$ 0.03	at least \$ 0.42	but less than \$0.59
7	\$ 0.04	at least \$ 0.59	but less than \$0.75
8	\$ 0.05	at least \$ 0.75	but less than \$0.92
9	\$ 0.06	at least \$ 0.92	but less than \$1.09
10	On a retail unitary transaction in which the gross retail income received		
11	by the retail merchant is one dollar and ten nine cents (\$1.10) (\$1.09)		
12	or more, the state gross retail tax is five six percent (5%) (6%) of that		
13	gross retail income.		
14	(b) If the tax, computed under subsection (a), results in a fraction of		
15	one-half cent (\$.005) (\$0.005) or more, the amount of the tax shall be		
16	rounded to the next additional cent.		
17	SECTION 6. IC 6-2.5-4-10 IS AMENDED TO READ AS		
18	FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) A person, other		
19	than a public utility, is a retail merchant making a retail transaction		
20	when he rents or leases tangible personal property to another person.		
21	(b) A person is a retail merchant making a retail transaction when the		
22	person sells any tangible personal property which has been rented or		
23	leased in the regular course of the person's rental or leasing business.		
24	(c) Notwithstanding subsection (a), a person is not a retail merchant		
25	making a retail transaction when the person rents or leases motion		
26	picture film, audio tape, or video tape to another person. However, this		
27	exclusion only applies if:		
28	(1) the person who pays to rent or lease the film charges admission		
29	to those who view the film; or		
30	(2) the person who pays to rent or lease the film or tape broadcasts		
31	the film or tape for home viewing or listening.		
32	SECTION 7. IC 6-2.5-4-14 IS ADDED TO THE INDIANA CODE		
33	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY		
34	1, 2002]: Sec. 14. A person is a retail merchant making a retail		
35	transaction when the person furnishes:		
36	(1) laundry services (excluding coin operated laundries);		
37	(2) dry cleaning services (excluding coin operated dry		
38	cleaning);		
39	(3) linen supply;		
40	(4) carpet or upholstery cleaning;		
41	(5) garment pressing;		
42	(6) finishing related to a service described in subdivisions (1)		



through (5);

(7) carpet, upholstery, or garment alteration or storage; or

(8) delivery services related to any of the services described in subdivisions (1) through (7).

SECTION 8. IC 6-2.5-4-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 15. A person is a retail merchant making a retail transaction when the person:**

(1) furnishes still or video portrait photography, including computer photography and portraits; or

(2) develops film or makes photographic prints or enlargements, excluding film, prints, or enlargements for a commercial motion picture or television business.

SECTION 9. IC 6-2.5-4-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 16. A person is a retail merchant making a retail transaction when the person furnishes beauty services, hairdressing services, barbering services, or hair styling services.**

SECTION 10. IC 6-2.5-4-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 17. A person is a retail merchant making a retail transaction when the person furnishes bartering services for individuals, clothing rental, costume rental, dating services, depilatory salons, diet workshops, dress suit rental, electrolysis or other hair removal, escort services, hair weaving or replacement services, massage parlors, scalp treatment services, shopping services for individuals, steam baths, tanning salons, tattoo parlors, turkish baths, tuxedo rental, or wardrobe services, except theatrical wardrobe services.**

SECTION 11. IC 6-2.5-4-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 18. A person is a retail merchant making a retail transaction when the person repairs or performs maintenance on tangible personal property, including cleaning, lubricating, parts replacement, and fluid or gas replacement services.**

SECTION 12. IC 6-2.5-4-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 19. A person is a retail merchant making a retail transaction when the person furnishes car wash services, vehicle diagnostic or inspection services (other than automobile emission testing services that are not part of a unitary transaction), vehicle rustproofing services, vehicle undercoating services, vehicle**

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1 window tinting services, vehicle painting services, or vehicle tire
2 retreading services.

3 SECTION 13. IC 6-2.5-4-20 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2002]: **Sec. 20. A person is a retail merchant making a retail
6 transaction when the person:**

7 (1) produces, distributes, or exhibits motion pictures in
8 commercially operated theaters; or

9 (2) furnishes amusement or entertainment services, including
10 the following:

11 (A) Dance studios, schools, and hall services.

12 (B) Theatrical productions.

13 (C) Band, orchestra, actor, or other entertainer or
14 entertainment services.

15 (D) Bowling center services.

16 (E) Commercial sports.

17 (F) Physical fitness facility services not related to physical
18 therapy prescribed by a physician.

19 (G) Golf course usage.

20 (H) Coin operated amusement devices.

21 (I) Amusement parks.

22 (J) Sports or recreation club membership.

23 SECTION 14. IC 6-2.5-4-21 IS ADDED TO THE INDIANA CODE
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25 1, 2002]: **Sec. 21. A person is a retail merchant making a retail
26 transaction when the person furnishes any of the following
27 (including any related provision of nonmanagement operating staff
28 if the transaction is a unitary transaction):**

29 (1) General or specialized management services on a day to day
30 basis and on a contract or fee basis, including administrative
31 management services, business management services, circuit
32 management services for motion picture theaters, construction
33 management, motel management services, and office
34 management services.

35 (2) Operating counsel and assistance to managements of
36 private or nonprofit organizations, including strategic and
37 organizational planning, financial planning and budgeting,
38 marketing objective and policy formation or implementation,
39 information systems planning, evaluation and selection, human
40 resource policies and practices planning, and production
41 scheduling and control planning.

42 (3) Public relations services that prepare or provide materials,

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1 written or spoken, that are designed to influence the general
 2 public or other groups in promoting the interests of their
 3 clients (excluding political speech or materials).

4 **(4) Any other business consulting service provided on a**
 5 **contract or fee basis.**

6 SECTION 15. IC 6-2.5-5-1 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. Transactions
 8 involving **services**, animals, feed, seed, plants, fertilizer, insecticides,
 9 fungicides, and other tangible personal property are exempt from the
 10 state gross retail tax if:

11 (1) the person acquiring the **service or** property acquires it for his
 12 direct use in the direct production of food or commodities for sale
 13 or for further use in the production of food or commodities for sale;
 14 and

15 (2) the person acquiring the **service or** property is occupationally
 16 engaged in the production of food or commodities which he sells
 17 for human or animal consumption or uses for further food or
 18 commodity production.

19 SECTION 16. IC 6-2.5-5-3 IS AMENDED TO READ AS
 20 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) For purposes of
 21 this section:

22 (1) the retreading of tires shall be treated as the processing of
 23 tangible personal property; and

24 (2) commercial printing as described in IC 6-2.1-2-4 shall be
 25 treated as the production and manufacture of tangible personal
 26 property.

27 (b) Transactions involving **services**, manufacturing machinery, tools,
 28 ~~and~~ **or** equipment are exempt from the state gross retail tax if the
 29 person acquiring that **service or** property acquires it for direct use in
 30 the direct:

31 (1) production, manufacture, fabrication, assembly, extraction,
 32 mining, processing, refining, or finishing of other tangible personal
 33 property; **or**

34 (2) **production or delivery of service that constitutes a retail**
 35 **transaction under this article or that is exempt from gross**
 36 **retail tax under this article.**

37 SECTION 17. IC 6-2.5-5-8 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. Transactions
 39 involving **services or** tangible personal property are exempt from the
 40 state gross retail tax if the person acquiring the property acquires it for
 41 resale, rental, or leasing in the ordinary course of his business without
 42 changing the form of the **service or** property. However, the rental or

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1 leasing of accommodations to a promoter by a political subdivision
 2 (including a capital improvement board) or the state fair commission
 3 is not exempt from the state gross retail tax, if the rental or leasing of
 4 the property by the promoter is exempt under IC 6-2.5-4-4.

5 SECTION 18. IC 6-2.5-6-7 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. Except as otherwise
 7 provided in IC 6-2.5-7 or in this chapter, a retail merchant shall pay to
 8 the department, for a particular reporting period, an amount equal to
 9 the product of:

10 (1) ~~five six~~ percent ~~(5%)~~; **(6%)**; multiplied by

11 (2) the retail merchant's total gross retail income from taxable
 12 transactions made during the reporting period.

13 The amount determined under this section is the retail merchant's state
 14 gross retail and use tax liability regardless of the amount of tax he
 15 actually collects.

16 SECTION 19. IC 6-2.5-6-8 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) For purposes of
 18 determining the amount of state gross retail and use taxes which he
 19 must remit under section 7 of this chapter, a retail merchant may
 20 exclude from his gross retail income from retail transactions made
 21 during a particular reporting period, an amount equal to the product of:

22 (1) the amount of that gross retail income; multiplied by

23 (2) the retail merchant's "income exclusion ratio" for the tax year
 24 which contains the reporting period.

25 (b) A retail merchant's "income exclusion ratio" for a particular tax
 26 year equals a fraction, the numerator of which is the retail merchant's
 27 estimated total gross retail income for the tax year from unitary retail
 28 transactions which produce gross retail income of less than ~~ten nine~~
 29 cents ~~(\$10)~~ **(\$0.09)** each, and the denominator of which is the retail
 30 merchant's estimated total gross retail income for the tax year from all
 31 retail transactions.

32 (c) In order to minimize a retail merchant's recordkeeping
 33 requirements, the department shall prescribe a procedure for
 34 determining the retail merchant's income exclusion ratio for a tax year,
 35 based on a period of time, not to exceed fifteen (15) consecutive days,
 36 during the first quarter of the retail merchant's tax year. However, the
 37 period of time may be changed if the change is requested by the retail
 38 merchant because of his peculiar accounting procedures or marketing
 39 factors. In addition, if a retail merchant has multiple sales locations or
 40 diverse types of sales, the department shall permit the retail merchant
 41 to determine the ratio on the basis of a representative sampling of the
 42 locations and types of sales.

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1 SECTION 20. IC 6-2.5-6-10 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) In order to
 3 compensate retail merchants for collecting and timely remitting the
 4 state gross retail tax and the state use tax, every retail merchant, except
 5 a retail merchant referred to in subsection (c), is entitled to deduct and
 6 retain from the amount of those taxes otherwise required to be remitted
 7 under IC 6-2.5-7-5 or under this chapter, if timely remitted, a retail
 8 merchant's collection allowance.

9 (b) The allowance equals ~~one eighty-three hundredths~~ percent (~~1%~~)
 10 **(0.83%)** of the retail merchant's state gross retail and use tax liability
 11 accrued during a reporting period.

12 (c) A retail merchant described in IC 6-2.5-4-5 or IC 6-2.5-4-6 is not
 13 entitled to the allowance provided by this section.

14 SECTION 21. IC 6-2.5-7-3, AS AMENDED BY P.L.222-1999,
 15 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2002]: Sec. 3. (a) With respect to the sale of gasoline which
 17 is dispensed from a metered pump, a retail merchant shall collect, for
 18 each unit of gasoline sold, state gross retail tax in an amount equal to
 19 the product, rounded to the nearest one-tenth of one cent (~~\$-.001~~);
 20 **(\$0.001)**, of:

21 (i) **(1)** the price per unit before the addition of state and federal
 22 taxes; multiplied by

23 ~~(ii) five~~ **(2) six** percent (~~5%~~): **(6%)**.

24 The retail merchant shall collect the state gross retail tax prescribed in
 25 this section even if the transaction is exempt from taxation under
 26 IC 6-2.5-5.

27 (b) With respect to the sale of special fuel or kerosene which is
 28 dispensed from a metered pump, unless the purchaser provides an
 29 exemption certificate in accordance with IC 6-2.5-8-8, a retail merchant
 30 shall collect, for each unit of special fuel or kerosene sold, state gross
 31 retail tax in an amount equal to the product, rounded to the nearest
 32 one-tenth of one cent (~~\$-.001~~), **(\$0.001)**, of:

33 (i) **(1)** the price per unit before the addition of state and federal
 34 taxes; multiplied by

35 ~~(ii) five~~ **(2) six** percent (~~5%~~): **(6%)**.

36 Unless the exemption certificate is provided, the retail merchant shall
 37 collect the state gross retail tax prescribed in this section even if the
 38 transaction is exempt from taxation under IC 6-2.5-5.

39 SECTION 22. IC 6-2.5-7-5 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) Each retail
 41 merchant who dispenses gasoline or special fuel from a metered pump
 42 shall, in the manner prescribed in IC 6-2.5-6, report to the department

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the following information:

(1) The total number of gallons of gasoline sold from a metered pump during the period covered by the report.

(2) The total amount of money received from the sale of gasoline described in subdivision (1) during the period covered by the report.

(3) That portion of the amount described in subdivision (2) which represents state and federal taxes imposed under IC 6-2.5, IC 6-6-1.1, or Section 4081 of the Internal Revenue Code.

(4) The total number of gallons of special fuel sold from a metered pump during the period covered by the report.

(5) The total amount of money received from the sale of special fuel during the period covered by the report.

(6) That portion of the amount described in subdivision (5) that represents state and federal taxes imposed under IC 6-2.5, IC 6-6-2.5, or Section 4041 of the Internal Revenue Code.

(b) Concurrently with filing the report, the retail merchant shall remit the state gross retail tax in an amount which equals ~~one twenty-first~~ **(+/-) five and sixty-six hundredths percent (5.66%)** of the gross receipts, including state gross retail taxes but excluding Indiana and federal gasoline and special fuel taxes, received by the retail merchant from the sale of the gasoline and special fuel that is covered by the report and on which the retail merchant was required to collect state gross retail tax. The retail merchant shall remit that amount regardless of the amount of state gross retail tax which he has actually collected under this chapter. However, the retail merchant is entitled to deduct and retain the amounts prescribed in subsection (c), IC 6-2.5-6-10, and IC 6-2.5-6-11.

(c) A retail merchant is entitled to deduct from the amount of state gross retail tax required to be remitted under subsection (b) an amount equal to:

(1) the sum of the prepayment amounts made during the period covered by the retail merchant's report; minus

(2) the sum of prepayment amounts collected by the retail merchant, in the merchant's capacity as a qualified distributor, during the period covered by the retail merchant's report.

For purposes of this section, a prepayment of the gross retail tax is presumed to occur on the date on which it is invoiced.

SECTION 23. IC 6-2.5-10-1, AS AMENDED BY P.L.253-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

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(b) The department shall deposit those collections in the following manner:

(1) ~~Forty~~ **Fifty-five** percent (~~40%~~) (**55%**) of the collections shall be paid into the property tax replacement fund established under IC 6-1.1-21.

(2) ~~Fifty-nine~~ **Forty-four** and ~~three-hundredths~~ **one hundred ninety-two thousandths** percent (~~59.03%~~) (**44.192%**) of the collections shall be paid into the state general fund.

(3) ~~Seventy-six hundredths~~ **Six hundred thirty-three thousandths** of one percent (~~0.76%~~) (**0.633%**) of the collections shall be paid into the public mass transportation fund established by IC 8-23-3-8.

(4) ~~Four hundredths~~ **Thirty-three thousandths** of one percent (~~0.04%~~) (**0.033%**) of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

(5) ~~Seventeen hundredths~~ **One hundred forty-two thousandths** of one percent (~~0.17%~~) (**0.142%**) of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 24. IC 8-22-3.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 10. (a) Except in a county described in section 1(5) of this chapter, if the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for property taxes that, under IC 6-1.1-22-9, are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of ~~twenty~~ **forty** percent (~~20%~~) (**40%**) of the county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; by
- (B) the total amount of the taxpayer's property taxes levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit

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described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the special funds under section 9 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in an airport development zone who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies shall be stated on the notice.

SECTION 25. IC 36-7-14-39.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 39.5. (a) As used in this section, "allocation area" has the meaning set forth in section 39 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e), each taxpayer in an allocation area is entitled to an additional credit for property taxes that under IC 6-1.1-22-9 are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of ~~twenty~~ **forty** percent (~~20%~~) **(40%)** of each county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's property taxes levied in the taxing district that would have been allocated to an allocation fund under section 39 of this chapter had the additional credit

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described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into an allocation fund under section 39(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the redevelopment commission, the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) may, by resolution, provide that the additional credit described in subsection (c):

- (1) does not apply in a specified allocation area; or
- (2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the

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1 additional credit described in subsection (c) applies to property taxes
 2 first due and payable in the allocation area in each year following the
 3 year in which the resolution is rescinded.

4 SECTION 26. IC 36-7-14.5-12.5 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 12.5. (a) This
 6 section applies only to an authority in a county having a United States
 7 government military base that is scheduled for closing or is completely
 8 or partially inactive or closed.

9 (b) In order to accomplish the purposes set forth in section 11(b) of
 10 this chapter, an authority may create an economic development area:

11 (1) by following the procedures set forth in IC 36-7-14-41 for the
 12 establishment of an economic development area by a
 13 redevelopment commission; and

14 (2) with the same effect as if the economic development area was
 15 created by a redevelopment commission.

16 However, an authority may not include in an economic development
 17 area created under this section any area that was declared a blighted
 18 area, an urban renewal area, or an economic development area under
 19 IC 36-7-14.

20 (c) In order to accomplish the purposes set forth in section 11(b) of
 21 this chapter, an authority may do the following in a manner that serves
 22 an economic development area created under this section:

23 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 24 lease, or any combination of methods, any personal property or
 25 interest in real property needed for the redevelopment of economic
 26 development areas located within the corporate boundaries of the
 27 unit.

28 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 29 other instrument), exchange, lease, rent, or otherwise dispose of
 30 property acquired for use in the redevelopment of economic
 31 development areas on the terms and conditions that the authority
 32 considers best for the unit and the unit's inhabitants.

33 (3) Sell, lease, or grant interests in all or part of the real property
 34 acquired for redevelopment purposes to any other department of
 35 the unit or to any other governmental agency for public ways,
 36 levees, sewerage, parks, playgrounds, schools, and other public
 37 purposes on any terms that may be agreed on.

38 (4) Clear real property acquired for redevelopment purposes.

39 (5) Repair and maintain structures acquired for redevelopment
 40 purposes.

41 (6) Remodel, rebuild, enlarge, or make major structural
 42 improvements on structures acquired for redevelopment purposes.

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(7) Survey or examine any land to determine whether the land should be included within an economic development area to be acquired for redevelopment purposes and to determine the value of that land.

(8) Appear before any other department or agency of the unit, or before any other governmental agency in respect to any matter affecting:

(A) real property acquired or being acquired for redevelopment purposes; or

(B) any economic development area within the jurisdiction of the authority.

(9) Institute or defend in the name of the unit any civil action, but all actions against the authority must be brought in the circuit or superior court of the county where the authority is located.

(10) Use any legal or equitable remedy that is necessary or considered proper to protect and enforce the rights of and perform the duties of the authority.

(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.

(12) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(13) Appoint clerks, guards, laborers, and other employees the authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(14) Prescribe the duties and regulate the compensation of employees of the authority.

(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).

(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

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(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves the purposes set forth in section 11(b) of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the ~~state board department of tax commissioners, local government finance~~, as finally determined for any assessment date,

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must be allocated. All of the provisions of IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

(1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base reuse activities in or serving or benefitting that allocation area.

(2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).

(3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefitting that allocation area.

(5) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the ~~twenty~~ **forty** percent (~~20%~~) (**40%**) of each county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the

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1 same proportion of the credit. A taxpayer may not receive a credit
 2 under this section and a credit under IC 36-7-14-39.5 in the same
 3 year.

4 (6) Pay expenses incurred by the authority for local public
 5 improvements or structures that are in the allocation area or
 6 serving or benefiting the allocation area.

7 (7) Reimburse public and private entities for expenses incurred in
 8 training employees of industrial facilities that are located:

9 (A) in the allocation area; and

10 (B) on a parcel of real property that has been classified as
 11 industrial property under the rules of the ~~state board~~ **department**
 12 ~~of tax commissioners~~ **local government finance**.

13 However, the total amount of money spent for this purpose in any
 14 year may not exceed the total amount of money in the allocation
 15 fund that is attributable to property taxes paid by the industrial
 16 facilities described in clause (B). The reimbursements under this
 17 subdivision must be made within three (3) years after the date on
 18 which the investments that are the basis for the increment
 19 financing are made. The allocation fund may not be used for
 20 operating expenses of the authority.

21 (e) In addition to other methods of raising money for property
 22 acquisition, redevelopment, or economic development activities in or
 23 directly serving or benefitting an economic development area created
 24 by an authority under this section, and in anticipation of the taxes
 25 allocated under subsection (d), other revenues of the authority, or any
 26 combination of these sources, the authority may, by resolution, issue
 27 the bonds of the special taxing district in the name of the unit. Bonds
 28 issued under this section may be issued in any amount without
 29 limitation. The following apply if such a resolution is adopted:

30 (1) The authority shall certify a copy of the resolution authorizing
 31 the bonds to the municipal or county fiscal officer, who shall then
 32 prepare the bonds. The seal of the unit must be impressed on the
 33 bonds, or a facsimile of the seal must be printed on the bonds.

34 (2) The bonds must be executed by the appropriate officer of the
 35 unit and attested by the unit's fiscal officer.

36 (3) The bonds are exempt from taxation for all purposes.

37 (4) Bonds issued under this section may be sold at public sale in
 38 accordance with IC 5-1-11 or at a negotiated sale.

39 (5) The bonds are not a corporate obligation of the unit but are an
 40 indebtedness of the taxing district. The bonds and interest are
 41 payable, as set forth in the bond resolution of the authority:

42 (A) from the tax proceeds allocated under subsection (d);

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(B) from other revenues available to the authority; or
 (C) from a combination of the methods stated in clauses (A) and
 (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of
 interest on the bonds for a period not to exceed five (5) years from
 the date of issuance.

(7) Laws relating to the filing of petitions requesting the issuance
 of bonds and the right of taxpayers to remonstrate against the
 issuance of bonds do not apply to bonds issued under this section.

(8) If a debt service reserve is created from the proceeds of bonds,
 the debt service reserve may be used to pay principal and interest
 on the bonds as provided in the bond resolution.

(9) If bonds are issued under this chapter that are payable solely or
 in part from revenues to the authority from a project or projects,
 the authority may adopt a resolution or trust indenture or enter into
 covenants as is customary in the issuance of revenue bonds. The
 resolution or trust indenture may pledge or assign the revenues
 from the project or projects. The resolution or trust indenture may
 also contain any provisions for protecting and enforcing the rights
 and remedies of the bond owners as may be reasonable and proper
 and not in violation of law, including covenants setting forth the
 duties of the authority. The authority may establish fees and
 charges for the use of any project and covenant with the owners of
 any bonds to set those fees and charges at a rate sufficient to
 protect the interest of the owners of the bonds. Any revenue bonds
 issued by the authority that are payable solely from revenues of the
 authority shall contain a statement to that effect in the form of
 bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted
 under section 11(b) of this chapter may provide, or be amended to
 provide, that the board of directors of the authority shall be composed
 of not fewer than three (3) nor more than seven (7) members, who must
 be residents of the unit appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority
 under this section is not subject to the provisions of IC 5-22,
 IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the
 purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition
 of real and personal property without complying with the provisions of
 IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing
 the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an

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economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated, treated, or produced outside the boundaries of the existing or closed military installation.

SECTION 27. IC 36-7-15.1-26.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g), (h), and (i), each taxpayer in an allocation area is entitled to an additional credit for property taxes that, under IC 6-1.1-22-9, are due and payable in May and November of that year. One-half (1/2) of the credit shall be applied to each installment of property taxes. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of ~~twenty~~ **forty** percent (~~20%~~) **(40%)** of each county's total county tax levy payable that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's property taxes levied in the

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1 taxing district that would have been allocated to an allocation
2 fund under section 26 of this chapter had the additional credit
3 described in this section not been given.

4 The additional credit reduces the amount of proceeds allocated to the
5 redevelopment district and paid into the special fund.

6 (f) The credit for property tax replacement under IC 6-1.1-21-5 and
7 the additional credits under subsections (e), (g), (h), and (i), unless the
8 credits under subsections (g) and (h) are partial credits, shall be
9 computed on an aggregate basis for all taxpayers in a taxing district
10 that contains all or part of an allocation area. Except as provided in
11 subsections (h) and (i), the credit for property tax replacement under
12 IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h),
13 and (i) shall be combined on the tax statements sent to each taxpayer.

14 (g) This subsection applies to an allocation area if allocated taxes
15 from that area were pledged to bonds, leases, or other obligations of the
16 commission before May 8, 1989. A credit calculated using the method
17 provided in subsection (e) may be granted under this subsection. The
18 credit provided under this subsection is first applicable for the
19 allocation area for property taxes first due and payable in 1992. The
20 following apply to the determination of the credit provided under this
21 subsection:

22 (1) Before June 15 of each year, the fiscal officer of the
23 consolidated city shall determine and certify the following:

24 (A) All amounts due in the following year to the owners of
25 outstanding bonds payable from the allocation area special fund.

26 (B) All amounts that are:

27 (i) required under contracts with bond holders; and

28 (ii) payable from the allocation area special fund to fund
29 accounts and reserves.

30 (C) An estimate of the amount of personal property taxes
31 available to be paid into the allocation area special fund under
32 section 26.9(c) of this chapter.

33 (D) An estimate of the aggregate amount of credits to be granted
34 if full credits are granted.

35 (2) Before June 15 of each year, the fiscal officer of the
36 consolidated city shall determine if the granting of the full amount
37 of credits in the following year would impair any contract with or
38 otherwise adversely affect the owners of outstanding bonds
39 payable from the allocation area special fund.

40 (3) If the fiscal officer of the consolidated city determines under
41 subdivision (2) that there would not be an impairment or adverse
42 effect:

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(A) the fiscal officer of the consolidated city shall certify the determination; and

(B) the full credits shall be applied in the following year, subject to the determinations and certifications made under section 26.7(b) of this chapter.

(4) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (2), the fiscal officer of the consolidated city shall determine whether there is an amount of partial credits that, if granted in the following year, would not result in the impairment or adverse effect. If the fiscal officer determines that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall do the following:

(A) Determine the amount of the partial credits.

(B) Certify that determination.

(5) If the fiscal officer of the consolidated city certifies under subdivision (4) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers in the following year.

(6) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid in the following year; or

(ii) only partial credits may be paid in the following year.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15 of whether full or partial credits are payable under this subsection.

(7) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination.

(8) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (e) and in subdivision (2) ~~of this subsection~~ may be granted under this subsection. The following apply to the credit granted

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1 under this subsection:

2 (1) The credit is applicable to property taxes first due and payable
3 in 1991.

4 (2) For purposes of this subsection, the amount of a credit for 1990
5 taxes payable in 1991 with respect to an affected taxpayer is equal
6 to:

7 (A) the amount of the quotient determined under STEP TWO of
8 subsection (e); multiplied by

9 (B) the total amount of the property taxes payable by the
10 taxpayer that were allocated in 1991 to the allocation area
11 special fund under section 26 of this chapter.

12 (3) Before June 15, 1991, the fiscal officer of the consolidated city
13 shall determine and certify an estimate of the aggregate amount of
14 credits for 1990 taxes payable in 1991 if the full credits are
15 granted.

16 (4) The fiscal officer of the consolidated city shall determine
17 whether the granting of the full amounts of the credits for 1990
18 taxes payable in 1991 against 1991 taxes payable in 1992 and the
19 granting of credits under subsection (g) would impair any contract
20 with or otherwise adversely affect the owners of outstanding bonds
21 payable from the allocation area special fund for an allocation area
22 described in subsection (g).

23 (5) If the fiscal officer of the consolidated city determines that
24 there would not be an impairment or adverse effect under
25 subdivision (4):

26 (A) the fiscal officer shall certify that determination; and

27 (B) the full credits shall be applied against 1991 taxes payable
28 in 1992 or the amount of the credits shall be paid to the
29 taxpayers as provided in subdivision (12), subject to the
30 determinations and certifications made under section 26.7(b) of
31 this chapter.

32 (6) If the fiscal officer of the consolidated city makes an adverse
33 determination under subdivision (4), the fiscal officer shall
34 determine whether there is an amount of partial credits for 1990
35 taxes payable in 1991 that, if granted against 1991 taxes payable
36 in 1992 in addition to granting of the credits under subsection (g),
37 would not result in the impairment or adverse effect.

38 (7) If the fiscal officer of the consolidated city determines under
39 subdivision (6) that there is an amount of partial credits that would
40 not result in the impairment or adverse effect, the fiscal officer
41 shall determine the amount of partial credits and certify that
42 determination.

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(8) If the fiscal officer of the consolidated city certifies under subdivision (7) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers against 1991 taxes payable in 1992.

(9) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid for 1990 taxes payable in 1991; or

(ii) only partial credits may be paid for 1990 taxes payable in 1991.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15, 1991, of whether credits are payable under this subsection.

(10) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination. Any such appeal shall be decided by the court within sixty (60) days.

(11) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether credits are payable under this subsection must be filed by July 15, 1991. Any such appeal shall be decided by the court within sixty (60) days.

(12) If 1991 taxes payable in 1992 with respect to a parcel are billed to the same taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall apply to the tax bill for 1991 taxes payable in 1992 both the credit provided under subsection (g) and the credit provided under this subsection, along with any credit determined to be applicable to the tax bill under subsection (i). In the alternative, at the election of the county auditor, the county may pay to the taxpayer the amount of the credit by May 10, 1992, and the amount shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(13) If 1991 taxes payable in 1992 with respect to a parcel are billed to a taxpayer other than the taxpayer to which 1990 taxes payable in 1991 were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (i) to the tax bill for 1991 taxes payable in 1992.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit under this subsection.

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1 A taxpayer entitled to a credit must file an application for refund
2 of the credit with the county auditor not later than November 30,
3 1991.

4 (14) A taxpayer who files an application by November 30, 1991,
5 is entitled to payment from the county treasurer in an amount that
6 is in the same proportion to the credit provided under this
7 subsection with respect to a parcel as the amount of 1990 taxes
8 payable in 1991 paid by the taxpayer with respect to the parcel
9 bears to the 1990 taxes payable in 1991 with respect to the parcel.
10 This amount shall be paid to the taxpayer by May 10, 1992, and
11 shall be charged to the taxing units in which the allocation area is
12 located in the proportion of the taxing units' respective tax rates for
13 1990 taxes payable in 1991.

14 (i) This subsection applies to an allocation area if allocated taxes
15 from that area were pledged to bonds, leases, or other obligations of the
16 commission before May 8, 1989. The following apply to the credit
17 granted under this subsection:

18 (1) A prior year credit is applicable to property taxes first due and
19 payable in each year from 1987 through 1990 (the "prior years").

20 (2) The credit for each prior year is equal to:

21 (A) the amount of the quotient determined under STEP TWO of
22 subsection (e) for the prior year; multiplied by

23 (B) the total amount of the property taxes paid by the taxpayer
24 that were allocated in the prior year to the allocation area special
25 fund under section 26 of this chapter.

26 (3) Before January 31, 1992, the county auditor shall determine the
27 amount of credits under subdivision (2) with respect to each parcel
28 in the allocation area for all prior years with respect to which:

29 (A) taxes were billed to the same taxpayer for taxes payable in
30 each year from 1987 through 1991; or

31 (B) an application was filed by November 30, 1991, under
32 subdivision (8) for refund of the credits for prior years.

33 A report of the determination by parcel shall be sent by the county
34 auditor to the ~~state board of tax commissioners~~ **department of**
35 **local government finance** and the budget agency within five (5)
36 days of such determination.

37 (4) Before January 31, 1992, the county auditor shall determine the
38 quotient of the amounts determined under subdivision (3) with
39 respect to each parcel divided by six (6).

40 (5) Before January 31, 1992, the county auditor shall determine the
41 quotient of the aggregate amounts determined under subdivision
42 (3) with respect to all parcels divided by twelve (12).

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(6) Except as provided in subdivisions (7) and (9), in each year in which credits from prior years remain unpaid, credits for the prior years in the amounts determined under subdivision (4) shall be applied as provided in this subsection.

(7) If taxes payable in the current year with respect to a parcel are billed to the same taxpayer to which taxes payable in all of the prior years were billed and if the amount determined under subdivision (3) with respect to the parcel is at least five hundred dollars (\$500), the county treasurer shall apply the credits provided for the current year under subsections (g) and (h) and the credit in the amount determined under subdivision (4) to the tax bill for taxes payable in the current year. However, if the amount determined under subdivision (3) with respect to the parcel is less than five hundred dollars (\$500) (referred to in this subdivision as "small claims"), the county may, at the election of the county auditor, either apply a credit in the amount determined under subdivision (3) or subdivision (4) to the tax bill for taxes payable in the current year or pay either amount to the taxpayer. If title to a parcel transfers in a year in which a credit under this subsection is applied to the tax bill, the transferor may file an application with the county auditor within thirty (30) days of the date of the transfer of title to the parcel for payments to the transferor at the same times and in the same amounts that would have been allowed as credits to the transferor under this subsection if there had not been a transfer. If a determination is made by the county auditor to refund or credit small claims in the amounts determined under subdivision (3) in 1992, the county auditor may make appropriate adjustments to the credits applied with respect to other parcels so that the total refunds and credits in any year will not exceed the payments made from the state property tax replacement fund to the prior year credit fund referred to in subdivision (11) in that year.

(8) If taxes payable in the current year with respect to a parcel are billed to a taxpayer that is not a taxpayer to which taxes payable in all of the prior years were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (h) to the tax bill for taxes payable in the current year.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit.

A taxpayer entitled to the credit must file an application for refund of the credit with the county auditor not later than November 30,

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1991. A refund shall be paid to an eligible applicant by May 10, 1992.

(9) A taxpayer who filed an application by November 30, 1991, is entitled to payment from the county treasurer under subdivision (8) in an amount that is in the same proportion to the credit determined under subdivision (3) with respect to a parcel as the amount of taxes payable in the prior years paid by the taxpayer with respect to the parcel bears to the taxes payable in the prior years with respect to the parcel.

(10) In each year on May 1 and November 1, the state shall pay to the county treasurer from the state property tax replacement fund the amount determined under subdivision (5).

(11) All payments received from the state under subdivision (10) shall be deposited into a special fund to be known as the prior year credit fund. The prior year credit fund shall be used to make:

(A) payments under subdivisions (7) and (9); and

(B) deposits into the special fund for the application of prior year credits.

(12) All amounts paid into the special fund for the allocation area under subdivision (11) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area.

(13) By January 15, 1993, and by January 15 of each year thereafter, the county auditor shall send to the ~~state board~~ **department of tax commissioners local government finance** and the budget agency a report of the receipts, earnings, and disbursements of the prior year credit fund for the prior calendar year. If in the final year that credits under subsection (i) are allowed any balance remains in the prior year credit fund after the payment of all credits payable under this subsection, such balance shall be repaid to the treasurer of state for deposit in the property tax replacement fund.

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the property tax replacement fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund.

SECTION 28. IC 36-7-30-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: Sec. 25. (a) The following definitions apply throughout this section:



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(1) "Allocation area" means that part of a military base reuse area to which an allocation provision of a declaratory resolution adopted under section 10 of this chapter refers for purposes of distribution and allocation of property taxes.

(2) "Base assessed value" means:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the adoption date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A) or (C), the net assessed value of any and all parcels or classes of parcels identified as part of the base assessed value in the declaratory resolution or an amendment thereto, as finally determined for any subsequent assessment date; plus

(C) to the extent that it is not included in clause (A) or (B), the net assessed value of property that is assessed as residential property under the rules of the ~~state board of tax commissioners~~, **department of local government finance**, as finally determined for any assessment date after the effective date of the allocation provision.

Clause (C) applies only to allocation areas established in a military reuse area after June 30, 1997, and to the portion of an allocation area that was established before June 30, 1997, and that is added to an existing allocation area after June 30, 1997.

(3) "Property taxes" means taxes imposed under IC 6-1.1 on real property.

(b) A declaratory resolution adopted under section 10 of this chapter before the date set forth in IC 36-7-14-39(b) pertaining to declaratory resolutions adopted under IC 36-7-14-15 may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution in accordance with the procedures set forth in section 13 of this chapter. The allocation provision may apply to all or part of the military base reuse area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date

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with respect to which the allocation and distribution is made; or
 (B) the base assessed value;
 shall be allocated to and, when collected, paid into the funds of the
 respective taxing units.

(2) Except as otherwise provided in this section, property tax
 proceeds in excess of those described in subdivision (1) shall be
 allocated to the military base reuse district and, when collected,
 paid into an allocation fund for that allocation area that may be
 used by the military base reuse district and only to do one (1) or
 more of the following:

(A) Pay the principal of and interest and redemption premium on
 any obligations incurred by the military base reuse district or any
 other entity for the purpose of financing or refinancing military
 base reuse activities in or directly serving or benefiting that
 allocation area.

(B) Establish, augment, or restore the debt service reserve for
 bonds payable solely or in part from allocated tax proceeds in
 that allocation area or from other revenues of the reuse authority,
 including lease rental revenues.

(C) Make payments on leases payable solely or in part from
 allocated tax proceeds in that allocation area.

(D) Reimburse any other governmental body for expenditures
 made for local public improvements (or structures) in or directly
 serving or benefiting that allocation area.

(E) Pay all or a part of a property tax replacement credit to
 taxpayers in an allocation area as determined by the reuse
 authority. This credit equals the amount determined under the
 following STEPS for each taxpayer in a taxing district (as
 defined in IC 6-1.1-1-20) that contains all or part of the
 allocation area:

STEP ONE: Determine that part of the sum of the amounts under
 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable
 to the taxing district.

STEP TWO: Divide:

(i) that part of the ~~twenty~~ **forty** percent (~~20%~~) (**40%**) of each
 county's total county tax levy payable that year as determined
 under IC 6-1.1-21-4 that is attributable to the taxing district;
 by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

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(ii) the total amount of the taxpayer's property taxes levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 27 of this chapter in the same year.

(F) Pay expenses incurred by the reuse authority for local public improvements or structures that were in the allocation area or directly serving or benefiting the allocation area.

(G) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the ~~state board~~ **department of tax commissioners: local government finance.**

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made not more than three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the reuse authority.

(3) Except as provided in subsection (g), before July 15 of each year the reuse authority shall do the following:

(A) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Notify the county auditor of the amount, if any, of the amount of excess property taxes that the reuse authority has determined may be paid to the respective taxing units in the manner prescribed in subdivision (1). The reuse authority may not authorize a payment to the respective taxing units under this subdivision if to do so would endanger the interest of the holders of bonds described in subdivision (2) or lessors under section 19 of this chapter. Property taxes received by a taxing unit under

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1 this subdivision are eligible for the property tax replacement
2 credit provided under IC 6-1.1-21.

3 (c) For the purpose of allocating taxes levied by or for any taxing unit
4 or units, the assessed value of taxable property in a territory in the
5 allocation area that is annexed by a taxing unit after the effective date
6 of the allocation provision of the declaratory resolution is the lesser of:

- 7 (1) the assessed value of the property for the assessment date with
8 respect to which the allocation and distribution is made; or
9 (2) the base assessed value.

10 (d) Property tax proceeds allocable to the military base reuse district
11 under subsection (b)(2) may, subject to subsection (b)(3), be
12 irrevocably pledged by the military base reuse district for payment as
13 set forth in subsection (b)(2).

14 (e) Notwithstanding any other law, each assessor shall, upon petition
15 of the reuse authority, reassess the taxable property situated upon or in
16 or added to the allocation area, effective on the next assessment date
17 after the petition.

18 (f) Notwithstanding any other law, the assessed value of all taxable
19 property in the allocation area, for purposes of tax limitation, property
20 tax replacement, and the making of the budget, tax rate, and tax levy
21 for each political subdivision in which the property is located is the
22 lesser of:

- 23 (1) the assessed value of the property as valued without regard to
24 this section; or
25 (2) the base assessed value.

26 (g) If any part of the allocation area is located in an enterprise zone
27 created under IC 4-4-6.1, the unit that designated the allocation area
28 shall create funds as specified in this subsection. A unit that has
29 obligations, bonds, or leases payable from allocated tax proceeds under
30 subsection (b)(2) shall establish an allocation fund for the purposes
31 specified in subsection (b)(2) and a special zone fund. Such a unit
32 shall, until the end of the enterprise zone phase out period, deposit each
33 year in the special zone fund any amount in the allocation fund derived
34 from property tax proceeds in excess of those described in subsection
35 (b)(1) from property located in the enterprise zone that exceeds the
36 amount sufficient for the purposes specified in subsection (b)(2) for the
37 year. The amount sufficient for purposes specified in subsection (b)(2)
38 for the year shall be determined based on the pro rata part of such
39 current property tax proceeds from the part of the enterprise zone that
40 is within the allocation area as compared to all such current property
41 tax proceeds derived from the allocation area. A unit that does not have
42 obligations, bonds, or leases payable from allocated tax proceeds under

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subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that portion of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the ~~state board~~ **department of tax commissioners local government finance** shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1, and the adjustment may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment had not occurred. The ~~state board~~ **department of tax commissioners local government finance** may prescribe procedures for county and township officials to follow to assist the ~~state board~~ **department** in making the adjustments.

SECTION 29. [EFFECTIVE JULY 1, 2002] (a) **The following statutes apply only to property taxes first due and payable after December 31, 2002:**

- (1) IC 6-1.1-21-3.
- (2) IC 6-1.1-21-4.
- (3) IC 6-1.1-21-5.
- (4) IC 6-1.1-39-6.
- (5) IC 8-22-3.5-10.
- (6) IC 36-7-14-39.5.
- (7) IC 36-7-14.5-12.5.
- (8) IC 36-7-15.1-26.5.
- (9) IC 36-7-30-25.

(b) **For purposes of:**

- (1) IC 6-2.5-2-2, as amended by this act;
- (2) IC 6-2.5-6-7, as amended by this act;
- (3) IC 6-2.5-6-8, as amended by this act;



- 1 (4) IC 6-2.5-6-10, as amended by this act;
- 2 (5) IC 6-2.5-7-3, as amended by this act;
- 3 (6) IC 6-2.5-7-5, as amended by this act;
- 4 (7) IC 6-2.5-4-10, as amended by this act;
- 5 (8) IC 6-2.5-4-14, as added by this act;
- 6 (9) IC 6-2.5-4-15, as added by this act;
- 7 (10) IC 6-2.5-4-16, as added by this act;
- 8 (11) IC 6-2.5-4-17, as added by this act;
- 9 (12) IC 6-2.5-4-18, as added by this act;
- 10 (13) IC 6-2.5-4-19, as added by this act;
- 11 (14) IC 6-2.5-4-20, as added by this act; and
- 12 (15) IC 6-2.5-4-21, as added by this act;
- 13 all transactions, except the furnishing of public utility, telephone,
- 14 or cable television services and commodities by retail merchants
- 15 described in IC 6-2.5-4-5, IC 6-2.5-4-6, and IC 6-2.5-4-11 shall be
- 16 considered as having occurred after June 30, 2002, to the extent
- 17 that delivery of the property or services constituting selling at
- 18 retail is made after that date to the purchaser or to the place of
- 19 delivery designated by the purchaser. However, a transaction shall
- 20 be considered as having occurred before July 1, 2002, to the extent
- 21 that the agreement of the parties to the transaction was entered
- 22 into before July 1, 2002, and payment for the property or services
- 23 furnished in the transaction is made before July 1, 2002,
- 24 notwithstanding the delivery of the property or services after June
- 25 30, 2002.
- 26 (c) With respect to a retail sales transaction constituting the
- 27 furnishing of public utility, telephone, or cable television services
- 28 and commodities, only transactions for which the charges are
- 29 collected upon original statements and billings dated after July 31,
- 30 2002, shall be considered as having occurred after June 30, 2002.

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